

[COMMITTEE PRINT]

OS REGISTRY

*FILE *Committee 16*

Also: Security 8

SECURITY CLEARANCE PROCEDURES IN
THE INTELLIGENCE AGENCIES

X Committee 5

STAFF REPORT
SUBCOMMITTEE ON OVERSIGHT
PERMANENT SELECT COMMITTEE
ON INTELLIGENCE
U.S. HOUSE OF REPRESENTATIVES



SEPTEMBER 1979

U.S. GOVERNMENT PRINTING OFFICE

51-417

WASHINGTON : 1979

X OS-9-1407

INTRODUCTION

The Oversight Subcommittee of the House Permanent Select Committee on Intelligence has recently completed an in-depth study of security clearance procedures used by the Central Intelligence Agency, the National Security Agency, the Department of State, and the Department of Defense. This effort was specially focused on procedures used to screen applicants for access to Sensitive Compartmented Information (SCI)—a particularly delicate and important category of intelligence data.

The subcommittee's interest in this area grew out of the recent proliferation of unauthorized disclosures and incidents of espionage, involving members of the intelligence community or persons who were otherwise authorized access to intelligence information. Given the failure of the clearance and screening process to work in such well-publicized instances as the case of William Kampiles,¹ the subcommittee believed it would be useful to examine the system and to determine whether it is working effectively.

The obvious bottom line of any personnel security system is that it must be able to support reasonable determinations that hiring persons for intelligence work, or granting employees of the Federal Government (or its contractors) access to SCI is consistent with the national security. Based on the results of its investigation, the subcommittee believes that the screening process cannot presently meet uniform high standards in this regard. The subcommittee notes a number of factors which contribute to this conclusion:

Although the Director of Central Intelligence (DCI) is in theory (and in law) generally responsible for protecting intelligence sources and methods, this function is in fact diffused among a number of agencies.

Clearance procedures and philosophies differ widely among, and sometimes even within these agencies. There are, for example, major variations in the use of and attitudes towards the polygraph.

Cuts in manpower have placed pressure on investigative procedure and standards, and put a premium on efficient procedure and organization.²

Investigative branches report increasing difficulty in compiling adequate data bases from the FBI and other sources. A major problem appears to be inadequate access to criminal justice records.

¹ Kampiles, a former employee of the CIA, was convicted of espionage in 1978 for selling a classified document to the Soviets.

² DoD alone processed more than 100,000 persons for clearance last year. It should be noted that literally thousands of SCI clearances are held by employees of nonintelligence agencies. Although the subcommittee has not yet pursued this area, we do know that CIA and NSA account for the granting of about 2,500 of these. (Still other nonintelligence agencies grant their own SCI clearances. The Department of Justice for example grants SCI access and notifies the DCI after the fact.)

AUTHORITIES, PROCEDURES AND ORGANIZATION

SECTION I: THE FRAMEWORK OF LAWS AND REGULATIONS

The Director of Central Intelligence (DCI) is authorized to conduct background investigations of prospective and current employees of the CIA by the National Security Act of 1947 and the CIA Act of 1949. Both acts prescribe the establishment of programs and procedures for the protection of national security sources, methods and data.

Concern over revelations of Communist penetration of the U.S. Government in the late 1940's and early 1950's led to the publication of Executive Order 10450^{2a} (April 27, 1953) which established a security investigation program for the entire government. Executive Order 10450 remains the basis for security background investigations of government employees. The criteria and standards established in that Executive Order are still adhered to by all government agencies.

Executive Order 12036 (January 24, 1978) directs that

The CIA shall protect the security of its installations, activities, information and personnel by appropriate means including such investigations of applicants, employees, contractors and other persons with similar associations with the CIA as are necessary. (1.811)

Executive Order 12036 also spells out the DCI's broader responsibility for setting clearance standards for the entire intelligence community.³ Within this framework, the DCI has defined specific requirements that must be satisfied before access should be granted to SCI. These can be found in the Director of Central Intelligence Directive (DCID) 1/14⁴ which sets forth "minimum personnel security standards and procedures governing eligibility for access to Sensitive Compartmented Information (SCI)."

On the other hand, however, Executive Order 12036 also provides that

All Foreign Intelligence Agencies (CIA, NSA, DIA, etc.) are authorized to conduct their own investigations of present, former or prospective employees as deemed necessary in the interest of national security (2.208(c)).

Given this latitude, each intelligence agency therefore maintains its own program for investigation, clearance and employment. In addition, a number of other departments and agencies conduct background investigations under Executive Order 10450; for example, the Office of Personnel Management (formerly the Civil Service Commission), the State Department and the Defense Department. The major screening programs are discussed below.

^{2a} See appendix A.

³ The DCI shall "Ensure the establishment by the Intelligence Community, of common security and access standards for managing and handling foreign intelligence systems, information and products." (1.601 (i))

⁴ See appendix B.

Once a detailed personal history statement has been filed, a full field background investigation of each applicant begins, based on the criteria established in Executive Order 10450 and DCID 1/14. According to the testimony of Robert Gambino, Director of Security at CIA, the purpose of this background investigation is to establish the applicant's identity and to determine that he or she is of unquestionable loyalty, excellent character, integrity, discretion and trustworthiness.¹

A National Agency Check (NAC) is the first step of the full field background investigation. The NAC consists of a review of holdings which may be on file at the following federal agencies:

- The Federal Bureau of Investigation;
- The Office of Personnel Management ((OMP), formerly Civil Service Commission);
- The Defense Central Indices of Investigation; and Coast Guard Intelligence, Department of Transportation, if the applicant has served in the military;
- The Immigration and Naturalization Service (INS), if the applicant is an alien immigrant;
- The State Department's passport files, to cover foreign travel; and other federal agencies as appropriate.

When the NAC uncovers a problem, CIA's Office of Security summons an applicant for a personal interview. Such interviews are not routine; they take place only if the NAC indicates that an applicant may have a problem meeting CIA security standards.

CIA's background investigation encompasses the last 15 years of an applicant's life or the years from his 17th birthday; whichever period is shorter. Identity is established through birth records, verification of parentage and citizenship. Investigators examine the applicant's education, employment, and residences and conduct neighborhood checks, criminal justice information checks and credit checks. A minimum of five character references must be interviewed with a view toward establishing the habits, loyalty and morals of the individual. Both positive and negative information must be taken into account.

Material from the background investigation in the field is passed to CIA "appraisers" for evaluation. CIA's appraisal process categorizes problems under two headings: suitability and security. Suitability problems are processed by CIA's Applicant Review Panel (ARP), comprising 4 members: one from the Office of Personnel, one from the Office of Security, one from the Office of Medical Services and one from the Equal Employment Opportunity Office. Each panel member reviews a case individually and offers a separate evaluation to the Director of Personnel. Final decision on whether to accept or reject an applicant on suitability grounds is exercised by the Director of Personnel.

Security problems, on the other hand, are dealt with through an "adjudicative process". Should an appraiser's recommendation be negative on security grounds, the case is referred through a chain of experienced senior security officers. If their recommendation is negative, the case then goes to the Director of Security, who alone can

¹ "Security Clearance Procedures", Transcript, May 16, 1979.

this power to the Director of Security; however, the DC maintains this power at that level.⁶

There are several suitability and security factors which would cause the automatic disqualification of an applicant. According to Mr. Gambino's testimony,⁷ the following might be reasons for rejection on grounds of suitability: (1) emotional instability and immaturity; (2) personality idiosyncracies; (3) limited mental capacity/scholarship deficiencies; (4) physical impairments; (5) limitations precluding adaptability and flexibility; (6) poor employment record; (7) financial irresponsibility; (8) alcohol abuse; and (9) marital difficulties.

The following would be considered disqualifying data in the security area: (1) illegal use of drugs; (2) thievery; (3) homosexuality; and (4) gross character deficiencies. Any characteristic clearly outside the criteria established by Executive Order 10450 or DCID 1/14 is sufficient reason for immediate rejection of any applicant case.

If no problems arise in the background investigation, or if adjudication has resolved any uncertainty, the applicant next submits to a physical exam and psychiatric screening. The psychiatric screening consists of a battery of tests designed to measure the candidate's professional flexibility, stress level, and reactions to pressure in the hope of identifying problems he or she might have as an employee of the Agency.⁷ If there is an indication of abnormality, the candidate would be referred to a psychiatrist for an interview.

As the final step in the clearance process, all applicants for employment at the CIA are subject to a polygraph examination. CIA uses the polygraph to supplement and/or cross-check information developed by the background investigation. Questions asked during the examination are standard, with problem areas discussed beforehand. No set of questions is ever asked just once. Examiners look for repeated reactions; a single atypical reading cannot be used as evidence of lying or concealed problems. Control questions are used for comparison. During the exam, if the polygraph operator notes an abnormality, (repeated reaction to a particular area of inquiry), he will concentrate on this until it can be cleared up; there is no time limit on the exam.

Polygraph operators do not judge applicants; their function is to collect information and report it to appraisers for evaluation. When security problems are revealed by the polygraph, the case must go back through CIA's adjudication process. Despite extensive use of the polygraph, CIA stresses that applicants are looked at from the "total person" standpoint, with the polygraph serving as an adjunct to this effort.

Ten percent (10 percent) of all CIA applicants are turned down for security reasons; 3 to 5 percent are turned down for suitability reasons. Of the ten percent (10 percent) security turn downs, twenty-four point five percent (24.5 percent) are turned down based on the background investigation alone; seventy-five percent (75 percent) are rejected on the basis of information derived from the polygraph, or the combination of polygraph results and the background investigation.⁸

⁶ Ibid.

⁷ CIA also uses psychological assessment designed to match the skills of the subject with particular assignments.

⁸ It should be noted here, that because of the psychological effect the polygraph has on some of those being examined, a substantial number of revelations and admissions are volunteered prior to the actual testing. DoD and State, which do not use polygraph, believe that the same information can be obtained through a well-conducted personal interview without the aid of a polygraph. This raises the question, discussed below of whether the polygraph is in fact indispensable or merely one of several alternative screening tools.

patterns, personality, and physical disability. Waivers for other reasons must come from the Office of Security. On religious, moral or any other grounds, the polygrapher sends a statement with the reason to Security; polygraph examiners make no recommendation but report only the simple statement of fact. Admiral Turner recently granted two exceptions involving the polygraph: one for an applicant who took the polygraph but "did badly"; one for an applicant who refused the polygraph on moral grounds.

Every CIA employee is subject to reinvestigation at five year intervals. Reinvestigation consists of a neighborhood check, a police check, interviews with current and former supervisors and coworkers, and a polygraph. The polygraph questions at this time focus on counterintelligence issues. Repolygraphing is seen as a deterrent and as a way to detect security breaches.

According to the CIA, when a "security allegation" or "special issue" involving an employee is raised, the polygraph clears people as often as it brings about an admission. Confession of a violation may lead to disciplinary action or termination of employment.

Finally, under CIA policy, contractors, military personnel and all people needing "staff-like access" ¹⁰ to the CIA go through the same clearance procedures as all other employees.

DEPARTMENT OF STATE

The Foreign Service Act of 1946 provides basic legal authority to establish procedures for determining the loyalty of Foreign Service Officer candidates. The State Department also draws authority for performing background investigations on prospective employees from Executive Order 10450, Executive Order 11652 and Executive Order 10865, all of which state that no person shall be given access to classified information and materials unless that person has been determined to be trustworthy and that his or her employment is clearly consistent with the national security.

After filing Standard Form 86 ¹¹ (personal history statement), prospective employees are interviewed "in depth" by State Department security investigators. Investigators explain the standards which must be met to gain a clearance at the State Department. Questions are designed to be "deeply probing" so that the investigator may develop an understanding of the candidate. Interviewers first verify and clarify all information provided in the personal history statement. Applicants are then asked if there is anything in their background which, if revealed during the investigation, might conflict with the criteria for clearance. Interviewers aim to develop information to supplement the personal history statement, as an aid to a more accurate and thorough investigation.

¹⁰ The subcommittee has determined that while CIA policy is, and has been, to reinvestigate employees every five years, such reinvestigations were for some time not conducted for the majority of employees, due to the pressure of other responsibilities on the staff of the Office of Security. In the wake of the Moore case, however, the five year requirement was again put into practical force. (Edwin Moore, a former employee of the CIA, was convicted of espionage in 1977, for attempting to transmit national defense information to the Soviets.)

¹¹ "staff-like access"—Term applied to persons needing unescorted entry to CIA's buildings in order to do their job.

¹² This is the Office of Personnel Management (OPM) standard application "Security Investigation Data for Sensitive Position".